

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 NEA-10 L-03 H-01 IO-13 PA-01  
PRS-01 SP-02 USIA-06 AID-05 EB-08 NSC-05 SS-15  
STR-05 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03  
INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 /108 W  
-----087355 230257Z /63

R 230142Z NOV 77

FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 8230

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USADB

FOR NAC AGENCIES

PASS TREASURY FOR BRADFORD

E.O. 11652: NA  
TAGS: EAID, EFIN  
SUBJECT: PROPOSALS CONCERNING DENOMINATION AND VALUATION OF ADB'S  
CAPITAL, MAINTENANCE OF VALUE AND RELATED MATTERS, IN  
CONTEXT OF NEW INTERNATION MONETARY SYSTEM

REF: (A) MANILA 15736, (B) TREASURY 77-50, (C) MANILA 5354,  
(D) MANILA 4872

1. ON NOVEMBER 22, ADB BOARD OF DIRECTORS CONSIDERED  
FORMALLY FOR FIRST TIME MAIN ISSUES RAISED IN ADB WORKING  
PAPER 2-77 AND ADDENDA 1 AND 2 CONCERNING PROPOSAL TO  
SUBSTITUTE SDR FOR 1966 DOLLAR AS UNIT FOR VALUING BANK'S  
CAPITAL STOCK AND RELATED ISSUES. INFORMAL DISCUSSION HAD  
BEEN HELD PREVIOUSLY ON APRIL 15. EXCEPT FOR U.S. EXECUTIVE  
DIRECTOR, ALT. DIRECTOR REPRESENTING CANADA AND SCANDINAVIA  
AND ONE LDC GROUP, ALL EDS WERE PREPARED TO SPEAK SUBSTANTIVELY  
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ON SUBJECT. MAINTENANCE OF VALUE WAS NOT DISCUSSED.

2. THERE APPEARED TO BE GENERAL AGREEMENT IN FAVOR OF  
REDENOMINATING BANK'S CAPITAL IN TERMS OF SDRS AND  
MAINTAINING PRESENT PRACTICE OF USING U.S. DOLLAR AS UNIT  
OF ACCOUNT.

3. PROCEDURAL ASPECT FOR ACHIEVING REDENOMINATION OF CAPITAL RECEIVED PRIMARY ATTENTION OF BOARD. EDS REPRESENTING UNITED KINGDOM, AUSTRALIA AND INDIA EXPRESSED NEED FOR FORMAL AMENDMENT, WHILE EDS REPRESENTING JAPAN, FRANCE/SWITZERLAND AND MOST DMC DIRECTORS SUPPORTED CHANGE FROM GOLD DOLLAR TO SDR BY INTERPRETATION OF PRESENT ADB CHARTER. THIS LED TO LENGTHY DISCUSSION OF POSSIBILITY THAT BANK MIGHT WISPWTO CONSIDER INTERPRETATION PROCEDURE FOR AN INTERIM PERIOD, WHICH WOULD BE FOLLOWED SUBSEQUENTLY BY FORMAL AMENDMENT. THERE WAS GENERAL CONSENSUS THAT IT WAS DESIRABLE FOR THIS BANK TO ACT IN PARALLEL WITH WORLD BANK.

4. U.S. ED SAID HE WAS UNABLE TO MAKE SUBSTANTIVE COMMENT FOR THE RECORD AT THIS TIME. HE INDICATED THAT METTER WAS CURRENTLY RECEIVING SERIOUS CONSIDERATION IN WASHINGTON AND HE HOPED TO BE ABLE TO PROVIDE U.S. GOVERNMENT'S VIEWS IN NEAR FUTURE.

5. THERE WAS NO INDICATION OF OPPOSITION TO USE OF INTERPRETATION PROCEDURE AT LEAST FOR INTERIM PERIOD. IT WAS AGREED THAT BANK STAFF WOULD EXAMINE PROCEDURAL ASPECT FURTHER AND PRESENT BRIEF PAPER ON THIS SUBJECT. GENERAL COUNSEL ASKED DIRECTORS TO SEEK ADVICE OF RESPECTIVE GOVERNMENTS AS TO WHAT INTERNAL LEGISLATIVE OR LEGAL PROCEDURES WOULD BE REQUIRED OF INDIVIDUAL GOVERNORS

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BEFORE THEY WOULD BE CAPABLE OF VOTING ON POSSIBLE AMENDMENT. USADB REQUESTS GUIDANCE ON THIS POINT.

EDMOND

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Original Handling Restrictions:** n/a  
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**Reference:** 77 MANILA 15736, 77 MANILA 5354, 77 MANILA 4872  
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**Subject:** PROPOSALS CONCERNING DENOMINATION AND VALUATION OF ADB'S CAPITAL, MAINTENANCE OF VALUE AND RELATED MATTERS, IN CONTEXT OF NEW INTERNATIONAL MONETARY SYSTEM  
**TAGS:** EAID, EFIN, ADB  
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**Review Markings:**  
Margaret P. Grafeld  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009